	<p style="text-align: center;"><b>SOLICITATION AMENDMENT</b></p> <p>Solicitation Number: <u>RFP YH05-0001</u>  Amendment Number Two  Solicitation Due Date: <b><u>MONDAY, August 2, 2004</u></b> at  3:00 PM (MST)</p>	<p>Arizona Health Care Cost Containment  System Administration (AHCCCSA)  701 East Jefferson  Phoenix, Arizona 85034  Contracts Management Specialist:  Diane E. Harnisch, CPPB</p>
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A signed copy of this amendment must be returned with the proposal and received by AHCCCSA on or prior to the Solicitation due date and time. This solicitation is amended as follows:

The following are questions and answers concerning the solicitation requirements:

1. **CLARIFICATION:** The funding for the project from all sources can be identified in the 2-1-1 Phase I Project Investment Justification (PIJ) reviewed and approved by the Government Information Technology Agency (GITA). The PIJ contains information about sources and amounts of funds and estimates of costs. All financial figures in the PIJ can be revised, as appropriate, based on the results of this Solicitation. A copy of the PIJ is on file with GITA and arrangements can be made to obtain a copy by calling (602) 364-GITA. In the event of a conflict between the PIJ and the Solicitation, the Solicitation controls.
  
2. **CLARIFICATION:** Reference Scope of Work, page 9, paragraph 5.1: State, not the Contractor, is responsible for acquisition of appropriate data to populate the 2-1-1 database to be developed by the Contractor. Further, as the Contractor is not responsible to propose on loading and cleansing of data absent additional information, the information about the data should not be essential to the submittal of a proposal. See Section 5.3 of the Scope of Work (Page 30) and Section 33.7 of the Special Terms and Conditions (Page 89). However, any Offerors who wish to provide assistance in regard to data acquisition and related matters can offer such assistance to the State as an enhancement in accordance with Section 5.5.2 (Page 66). As with any other enhancement, these offers should be proposed separately.
  
3. **ADD:** Reference Scope of Work, page 9, paragraph 7.1: ADD the following sentence: "The outsourced hosting will be provided by the Hosting Vendor (as defined in this Solicitation)."

Offeror hereby acknowledges receipt and understanding of this Solicitation Amendment.		This Solicitation Amendment is hereby executed this 20th day of July, 2004 in Phoenix, Arizona.	
Signature	Date		
Typed Name and Title		Michael Veit	
		Contracts and Purchasing Administrator	
Name of Company			

4. **CLARIFICATION:** Reference Scope of Work, page 12, paragraph 8.7: The Offerors will propose a timetable for development in their Project Plan. Once development is complete in accordance with a Project Plan approved by the State, the Contractor will be responsible for maintenance, and, when requested, enhancements, of the system for the balance of the initial 2 year contract term. Any additional term of the Contract will also be utilized for maintenance, and where requested, enhancements. See Special Terms and Conditions, page 91, paragraph 39, and new paragraph 5.9 of the Scope of Work.
5. **CLARIFICATION:** Reference Scope of Work, page 16, paragraph 1.1.4: The Contractor will not be responsible for any Spanish translation of text. Rather the State will provide the text (in Spanish) for the pages to appear in Spanish to the Contractor.
6. **CLARIFICATION:** Reference Scope of Work, page 16, paragraph 1.2: "Links" referenced in this paragraph 1.2, are referring to HTML hyper-links that will direct browsers to other organization's web sites and does not contemplate rendering other web pages into 2-1-1 web pages and also does not contemplate batch data transfers.
7. **DELETE AND REPLACE:** Reference Scope of Work, page 19, paragraph 1.5.1: DELETE in its entirety and REPLACE with the following:  
  

"1.5.1. The system must be able to be expanded to provide all of the Phase II and Phase III functionality described in Attachment A, without significant re-designs and restructures. The Contractor is not required to articulate how or why such redesign or restructure will not be required for every Attachment A requirement, but shall be required to articulate in detail any exceptions to this general principle (in accordance with Attachment A and Section 5.5 of the Special Instructions to Offerors (page 66))."
8. **CLARIFICATION:** Reference Scope of Work, page 19, paragraph 2.1.1: The State would estimate the sizing of the complete, fully implemented provider database to be from 500,000 to 1,000,000 records. However, the State also anticipates that the initial system will have substantially fewer records.
9. **CHANGES:** Reference Scope of Work, page 19, paragraph 2.1.1: CHANGE "taxonomy categories" to read "AIRS taxonomy categories" and CHANGE "handicap access" to read "disability access".
10. **ADD:** Reference Scope of Work, page 19, paragraph 2.1.1: ADD 2 new bulleted items:  

"Emergency/after hours contact" and "Web site for service description."
11. **ADD:** Reference Scope of Work, page 19, paragraph 2.1.1: ADD at the end of paragraph 2.1.1: "Each Provider may have multiple programs and/or locations, each with different services (and related keywords, taxonomies, eligibility requirements, etc.). The Contractor shall be responsible for designing the system to accommodate this fundamental design requirement. The system shall be able, depending on the search criteria, to display (a) information relevant to one location or service only, or (b) information regarding all of a provider's locations or services (if desired). Core information regarding the Provider should reside in the underlying system only once to prevent data entry errors and inconsistent updates."

12. **DELETE AND REPLACE:** Reference Scope of Work, page 21, paragraph 2.1.6: DELETE in its entirety and REPLACE with the following:  
  
 "2.1.6 As appropriate, keywords in the system shall link to AIRS taxonomy listings to enable searching of the system without degrading the quality of the underlying database structure. The contractor is responsible for acquisition and provision to the State of the AIRS taxonomy, including any taxonomy updates."
13. **ADD:** Reference Scope of Work, page 26: ADD the following paragraph:  
  
 "2.7.7 The State anticipates that there will be 5 to 6 standard reports that will need to be delivered with the final acceptance of the system."
14. **CLARIFICATION:** Reference Scope of Work, page 26, paragraph 3.2: In accordance with Section 1.5, the system must be able to be expanded to provide all of the Phase II and Phase III functionality (without significant re-designs and restructures) described in Attachment A, including the Attachment A Section 4.1.14 (page 47) requirement that when the system is enhanced to collect client information, it shall conform with HIPAA standards and other state and federal regulations pertaining to the protection of personal identification and health care information.
15. **CHANGE:** Reference Scope of Work, page 27, paragraph 4.1.1: CHANGE "Attachment B" to read "Attachment B or the Contractor's Hosting Plan (as approved by the State)."
16. **ADD:** Reference Scope of Work, page 27, paragraph 4.1.5: ADD to the end of this paragraph: "The application is not required to support browsers for mobile devices, however, if the system was able to support such browsers, without additional cost to the State, the State may consider this a desirable feature."
17. **CHANGE:** Reference Scope of Work, page 28, paragraph 4.2.1: CHANGE "Attachment B" to "Attachment B or the Contractor's Hosting Plan (as approved by the State)."
18. **CLARIFICATION:** Reference Scope of Work, page 28, paragraph 4.3: The web site will be used by the public and readily available to it. However, the underlying system will need security controls as described in Section 4.3. The State will evaluate the security proposals of each Offeror included with their Written Responses to the Scope of Work, Project Plan (Sections 5.6.7 and 5.6.10 – page 67) and Hosting Plan (if any).
19. **ADD:** Reference Scope of Work, page 30, paragraph 5.3: ADD the following paragraphs:  
  
 "5.3.4 The Contractor is required to provide technical services in regard to loading and cleansing of data under the provisions of Sections 5.3.1 to 5.3.3.  
  
 5.3.5 The Contractor may also offer content cleansing and verification services by non-technical personnel. Use of these non-technical services by the State, now or in the future, is at the State's sole discretion. For such services to be considered by the State for inclusion in this Contract, the Contractor must describe them in its Proposal (written response to Scope of Work) and offer them at appropriate hourly rates (in their Cost Proposal)."

20. **DELETE AND REPLACE:** Reference Scope of Work, page 30, paragraph 5.4.1: DELETE the third sentence of this paragraph and REPLACE with the following:

“The 99.9% measurement only relates to the application and database; the Contractor is not responsible for hosting site infrastructure unless the Contractor is also selected as the Hosting Vendor in which case it shall be responsible for the hosting infrastructure in accordance with this Contract and the approved Hosting Plan.”

21. **ADD:** Reference Scope of Work, page 31, paragraph 5.6.4: ADD a new sentence to the end of this paragraph as follows:

”The contractor should specify in detail in its Support Plan how it plans to meet the requirements of Sections 5.4, 5.5, 5.6 and other related requirements of this Solicitation.”

22. **ADD:** Reference Scope of Work, page 32: ADD the following:

**"5.9 Enhancements:**

5.9.1 Following system completion and final payment, the Contractor shall provide cost proposals, upon the State's request, for any significant system enhancements, whether related to enhanced Phase I functionality or changes to accommodate Phase II or Phase III functionality. Such proposals shall be at hourly rates, based on skills and experienced, provided on the Revised Pricing Schedules."

23. **DELETE AND REPLACE:** Reference Scope of Work, page 32, paragraph 6.1: DELETE this paragraph in its entirety and REPLACE with the following (Note: Subparagraphs 6.1.1 through 6.1.10 remain in their entirety and without change):

"6.1 As stated in Section 5.8 of the Special Instructions to Offerors (page 68), the Contractor may elect to propose (a) to use the State's existing hosting environment, the Arizona Web Portal or (b) to offer an alternative hosting environment. If the Contractor proposes (and the State chooses to use) the Arizona Web Portal hosting environment, the Contractor shall comply with all of the Section 6 requirements (but shall not be required to comply with the Section 7 requirements). If, on the other hand, the Contractor proposes (and the State chooses) an alternative hosting plan, the Contractor shall not be required to comply with any of the Section 6 requirements. If the Arizona Web Portal hosting solution is selected, the Contractor shall not have any responsibility for the performance of the portal infrastructure, other than to insure software developed or enhanced by the Contractor under this Contract does not interfere with other applications running on the infrastructure."

24. **DELETE AND REPLACE:** Reference Scope of Work, page 33, paragraph 6.1.4: DELETE this paragraph in its entirety and REPLACE with the following:

"6.1.4 The 2-1-1 database shall utilize Structured Query Language (SQL) and shall be a self-contained DB2 database."

25. **DELETE AND REPLACE:** Reference Scope of Work, page 33, paragraph 7: DELETE this paragraph in its entirety and REPLACE with the following:

**"7. Requirements Related to Alternative Hosting Plan:**

As stated in Section 5.8 of the Special Instructions to Offerors (page 68), the Contractor may elect to propose (a) to use the State's existing hosting environment, the Arizona Web Portal or (b) to offer an alternative hosting environment. If the Contractor proposes (and the State chooses to use) the Contractor's alternative hosting environment, the Contractor shall comply with all of the Section 7 requirements (but shall not be required to comply with the Section 6 requirements). If, on the other hand, the Contractor proposes (and the State chooses) the Web Portal hosting environment, the Contractor shall not be required to comply with any of the Section 7 requirements.

If the Contractor's alternative hosting solution is selected, the Contractor shall have sole and complete responsibility for the hosting infrastructure. If, on the other hand, the Arizona Web Portal hosting solution is selected or another Offeror's hosting solution is selected, the Contractor shall not have any responsibility for the performance of the hosting infrastructure, other than to insure software developed or enhanced by the Contractor under this Contract does not interfere with other applications running on the infrastructure."

26. **CLARIFICATION:** Reference Scope of Work, page 33, paragraph 7: The State does not have any accurate way to measure anticipated web site usage of the 2-1-1 system. The only statistics that can be provided relate to the usage of the Arizona@ Your Service Web Portal. There are approximately 400,000 to 800,000 visits per month to the State's Web Portal. This may or may not reflect future 2-1-1 web site usage.

27. **CLARIFICATION:** Reference Scope of Work, pages 48 to 51, Attachment B:

- i. See Attachment B Section 2 (page 49) re: licenses which can be leveraged re: hosting.
- ii. The development technology is the responsibility of the Contractor as described in Section 5.7.2 of the Special Instructions to Offerors (page 68).

- iii. Questions were received re: whether the State owns the following products:

<u>Product</u>	<u>Response:</u>
IBM WebSphere Portal Product	NO
IBM search technology	NO but see Attachment B, Section 2.2 (Page 49), re: use of Google search tool.
IBM Web Content Management technology	IBM has developed a customized tool for selected web updates based on Portal's design and specific requirements.

- iv. The Contractor must provide web content management technology for the 2-1-1 system in accordance with Section 1.4.2 (Page 18) and 2.2.7 (Page 22) of the Scope of Work, the Revised Pricing Schedules (Pages 52-56) and Section 5.7.3 of the Special Instructions to Offerors (Page 68).

**28. DELETE AND REPLACE:** Reference Pricing Schedules, page 52 to page 56: DELETE these pages in their entirety and REPLACE with the attached Revised Pricing Schedules, pages 52 to 56.

**29. CLARIFICATION:** Reference Uniform Instructions to Offerors, page 61, paragraph 5.1: The State reserves the right to award the system development and the hosting plan to different offerors.

**30. CHANGE:** Reference Special Instructions to Offerors, page 63, paragraph 3.1: CHANGE to read as follows:

"3.1 Each Offeror is to submit their *entire* proposal with one (1) original..."

**31. CHANGE:** Reference Special Instructions to Offerors, page 63, paragraph 3.3: CHANGE to read as follows:

"3.3 Packages containing the Offeror's proposal shall be sent to the Solicitation Contact Person, at the address indicated on the first page of this solicitation document. Packages should be clearly labeled as follows:

NAME OF OFFEROR

REQUEST FOR PROPOSAL NUMBER YH05-0001

(Offeror should annotate as appropriate:)

OFFER IS FOR WEB DEVELOPMENT USING THE STATE PORTAL

OFFER IS FOR WEB DEVELOPMENT USING AN ALTERNATE HOSTING PORTAL"

**32. CHANGE:** Reference Special Instructions to Offerors, page 63, paragraph 3.4: CHANGE the last sentence to read: "Proposals should be sequentially numbered within each applicable section, as identified in these Special Instructions to Offerors, starting with paragraph 5."

**33. DELETE AND REPLACE:** Reference Special Instructions to Offerors, page 64, paragraphs 4.1 through 4.4: DELETE in their entirety and REPLACE with the following:

4.1 Development and Hosting Solution: Written Responses to Scope of Work, Project Plan and Related Deliverables and Hosting Plan

4.2 Organization and Project Team Experience and Qualifications

4.3 Cost Proposal

**34. CORRECTIONS:** Reference Special Instructions to Offerors, page 65, paragraph 5.3.4: CORRECT the references to "paragraphs 5.2.1 through 5.2.3" to read "paragraphs 5.3.1 through 5.3.3."

35. **ADD**: Reference Special Instructions to Offerors, page 65, paragraph 5.3: ADD the following paragraph:
- "5.3.6 Contractors proposing alternative hosting plans should submit experience and references to support their abilities to provide hosting services. At least two (2) references, in addition to the web development references, should be submitted."
36. **ADD**: Reference Special Instructions to Offerors, page 66, paragraph 5.5.2: ADD after the last sentence: "Each offeror is also encouraged to submit recommendations for any related services at appropriate hourly rates."
37. **CLARIFICATION**: Reference Special Instructions to Offerors, page 67, paragraph 5.6: The State anticipates that the Offerors will propose full development of the Phase 1 2-1-1 system in their Project Plan within a two to four month time period. Offerors should address the reasonableness of this expectation and the reasoning behind their proposed timetable to the extent it deviates from this expectation.
38. **CLARIFICATION**: Reference Special Instructions to Offerors, page 68, paragraph 5.6.11: Each Offeror should plan for 25 people to be trained initially in their Project Plan and Cost Proposal.
39. **ADD**: Reference Special Instructions to Offerors, page 68: ADD the following paragraph:
- "5.6.12 Include delivery of 5 to 6 standard reports with the completed system. [Note: These reports are required in addition to reports the State can generate directly through the required ad-hoc reporting capabilities of the system.]"
40. **DELETE AND REPLACE**: Reference Special Instructions to Offerors, page 68, section 5.7: DELETE paragraph 5.7 and all subparagraphs in their entirety and REPLACE with the following:
- "5.7 Section G – Cost Proposal: Section G of the offeror's proposal should include the following:
- 5.7.1 The completed Revised Pricing Schedules contained within an amendment to this solicitation document.
- 5.7.2 The Offeror's price proposal should include the development costs for every deliverable and should include all costs necessary to deliver a final, fully functional and tested system (including the details regarding how pricing for each deliverable was derived). The costs of any software, hardware, telecommunications, facilities or any other items required by the Offeror for development and testing of the system shall be the sole responsibility of the successful Contractor. Any such costs that the Contractor proposes to be reimbursed for should be clearly specified on the deliverables based (detailed) Revised Pricing Schedules.

- 5.7.3 The costs of any software, hardware, telecommunications or other items that the State will be required to purchase, either directly from the successful Contractor, or from third parties to operate and maintain (or enable the successful Contractor or others to operate or maintain) the system in accordance with the requirements of this solicitation, shall be specified in detail in the Offeror's deliverables based price proposal. This should include any products required for remote access updates to the application, the database or the content within either. For any software used in development, the price proposal should include costs for running in both quality assurance and production environments that have separate physical servers.
- 5.7.4 The Offeror shall also be required to included monthly maintenance fees for maintenance of the system (Section 5.6 of the Scope of Work and Section 25 of the Special Terms and Conditions) in accordance with its approved Support Plan. Training shall be priced as per person per session in accordance with the Training Plan. All maintenance and training shall be paid monthly in arrears.
- 5.7.5 The Offeror's price proposal should include hourly rates for upgrades and enhancements to the system (New Section 5.9.1 of Scope of Work), loading and cleansing of data (Section 5.3 of Scope of Work), content cleansing and verification services (if desired) (New Section 5.3.5 of Scope of Work) and any other hourly Page 8 of 10 services proposed (Section 5.5.2 of the Special Instructions to Offerors). Any hourly rate pricing shall be based on the experience and qualifications of the personnel assigned to the project.
- 5.7.6 If an Offeror submits an alternative hosting environment, the State does not want to purchase or finance hardware, software or related infrastructure for hosting. The State is willing to pay reasonable monthly fees for hosting of the application in a suitable environment provided by the Contractor that meets or exceeds the requirements of Section 7 of the Scope of Work.. The proposed monthly fee for hosting shall be specified on the applicable Revised Pricing Schedule.
- 5.7.7 Any costs for travel should not be included in any pricing provided on the Revised Pricing Schedules. Travel will be addressed through this solicitation amendment in the Special Terms and Conditions.

**41. DELETE AND REPLACE:** Reference Special Instructions to Offerors, page 69, paragraph 5.8: DELETE the introductory paragraph in its entirety and REPLACE with the following (note: subparagraphs 5.8.1 through 5.8.3 remain in their entirety and without change):

**"5.8 Section H – Hosting Plan:** Each Offeror must elect to propose (a) to use the State's existing hosting environment, the Arizona Web Portal or (b) to offer an alternative hosting environment. The Offeror shall state which hosting solution it is proposing on the cover letter transmitting its proposal to the State. For each proposal which includes an alternative hosting plan, the alternative hosting plan should be included in Section H of the Offeror's proposal and include the following:

**IMPORTANT NOTE:** If the Offeror wishes to propose **BOTH** hosting under the Arizona Web Portal AND an alternative hosting environment, the Offeror shall submit 2 complete and distinct proposals, each of which meets all of the requirements of Sections 5 and all other provisions of these Special Instructions to Offerors."

42. **CORRECT:** Reference Special Instructions to Offerors, page 69, paragraph 5.8: The sub-paragraphs under paragraph 5.8 should be renumbered from "5.7..." to "5.8..."

43. **DELETE AND REPLACE:** Reference Special Instructions to Offerors, page 70, paragraph 8.: **DELETE** this paragraph in its entirety and **REPLACE** with the following:

"8. **Additional Information:** As part of the discussions, AHCCCS may wish a demonstration of Offeror's existing system(s) as identified in either paragraph 5.3.2 or 5.3.5 of the Special Instructions to Offerors, as amended. Personnel familiar with the implementation and operation of the system should be available for this demonstration to answer questions. Any travel cost incurred on behalf of any AHCCCS personnel shall be responsibility of AHCCCS. Any travel costs incurred on behalf of any personnel associated with the offeror shall be the responsibility of the offeror. Award may be made without client site visits, therefore, offers should be submitted complete and on most favorable terms."

44. **DELETE AND REPLACE:** Reference Special Terms and Conditions, page 79, paragraph 6 and page 80, paragraph 7: **DELETE** both paragraphs in their entirety and **REPLACE** with the following:

6. **Notice of Concern:** This contract is critical to AHCCCS and the State of Arizona. While we reserve the right to immediately terminate in whole or any part of this contract due to failure of the Contractor to carry out any material obligation, term or condition of the contract, the Contracting Officer may issue written notice to the Contractor for acting or failing to act in any of the following:
- The Contractor provides material that does not meet the specifications of the contract;
  - The Contractor fails to adequately perform the services set forth in the specifications of the contract;
  - The Contractor fails to complete the work required or furnish the materials required with in the time stipulated by the contract;
  - The Contractor fails to make progress in the performance of the contract and/or gives the Contracting Officer reason to believe that the Contractor will not or cannot perform to the requirements of the contract.

Upon receipt of the written Notice of Concern, the Contractor shall have a minimum of ten (10) days (Contracting Officer may determine a longer period but shall not exceed thirty (30) days) to provide a written response which is satisfactory to the Contracting Officer. Failure on the part of the Contractor to adequately address all issues of concern may result in the Contracting Officer resorting to any single or combinations of the following remedies.

- Terminate any contract;
- Reserve all rights or claims to damage for breach of any covenant of the contract;
- Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor;
- In case of default, the Contracting Officer reserves the right to purchase materials, or to complete the required work in accordance with the Arizona Procurement Code. The Contracting Officer may recover reasonable excess costs from the Contractor by:
  - \* Deduction from an unpaid balance;
  - \* Collection against the propose and/or performance bond; or
  - \* Any combination of the above or any other remedies as provided by law.

## 7. (Intentionally Omitted)

45. **CLARIFICATION:** Reference Special Terms and Conditions, page 87, paragraph 25.2: The application is not required to support browsers for mobile devices, however, if the system was able to support such browsers, without additional cost to the State, the State may consider this a desirable feature.

46. **ADD:** Reference Special Terms and Conditions, page 88, paragraph 30.1: ADD the following to the end of this paragraph:

"All enhancements to proprietary software developed under this contract shall be deemed to be owned by AHCCCS, provided that AHCCCS reserves the right to negotiate a license for such enhancements (with retained ownership by the Contractor) should it determine (at its sole discretion) that such negotiation will provide significant benefit to the State.

47. **DELETE AND REPLACE:** Reference Special Terms and Conditions, page 88 - 89, DELETE paragraphs 33 and all subparagraphs in their entirety and REPLACE with the following:


### "33. **Pricing:**

- 33.1 Payments will be made to the Contractor as indicated in this Section 33 and on the Revised Pricing Schedules, pages 52 - 56. Payments for all services and deliverables under this Contract shall be in arrears.
- 33.2 The costs of any software, hardware, telecommunications or other items that the State will be required to purchase, either directly from the successful Contractor, or from third parties to operate and maintain (or enable the successful Contractor or others to operate or maintain) the system in accordance with the requirements of this solicitation, shall be specified in detail in the Offeror's deliverables based price proposal. This

should include any products required for remote access updates to the application, the database or the content within either. For any software used in development, the price proposal should include costs for running in both quality assurance and production environments that have separate physical servers.

- 33.3 During the course of the project, changes and enhancements will be controlled and managed through a change control process. All required changes and enhancements will be documented by the successful Contractor and approved, in writing, by the State. Once authorized, payment will be made on the completion of each deliverable based on the lesser of the hourly estimate approved by the State or the actual hours worked, each based on hourly rates under the Contract for the involved personnel.
- 33.4 Acceptance of each deliverable, shall be in the State's sole discretion. The Contractor shall submit an invoice upon acceptance of each deliverable identified above by the State.
- 33.5 A retainage amount of 10% of the total amount for each deliverable will be withheld by the State. The retainage will be held by the State for 60 days (after complete operational system delivery). If the system is operating in accordance with this Contract and with the functionality as delivered, the State shall release such retainage to the Contractor on the 60th day or shall hold such retainage pending resolution of any problems with the delivered system (and release it upon such resolution).
- 33.6 The Contractor shall be paid monthly maintenance fees for maintenance of the system in accordance with Section 5.6 of the Scope of Work and Section 25 of the Special Terms and Conditions and the approved Support Plan. Training shall be requested by the State from time to time and shall be priced in accordance with the per person per session pricing on the Revised Price Schedules and in accordance with the Training Plan.
- 33.7 Once the State defines the data to be loaded and cleansed, the Contractor shall provide cost proposals at hourly rates based on skills and experience in accordance with the rates proposed on the Revised Price Schedule. A fixed price for loading and cleansing of data, to the extent requested, shall be developed by the Contractor based on an evaluation of the data and the effort required to load and cleanse it. The State also reserves the right to obtain proposals from others regarding similar services. Any deliverables based enhancement shall be memorialized in a contract amendment.
- 33.8 Following system completion and final payment, the Contractor shall provide cost proposals, upon the State's request, for any significant system enhancements, whether related to enhanced Phase I functionality or changes to accommodate Phase II or Phase III functionality. Such proposals shall be at the hourly rates, based on skills and experience, provided on the Revised Price Schedules. The State reserves the right to negotiate deliverables based pricing, based on the hourly rate proposal of the Contractor, for any significant enhancement. The State also reserves the right to obtain proposals from others regarding similar services. Any deliverables based enhancement shall be memorialized in a contract amendment.

48. **CORRECTION:** Reference Special Terms and Conditions, page 90, paragraph following paragraph 37.2: This paragraph is number "7.3" and should be numbered "37.3."
49. **CHANGE:** Reference Special Terms and Conditions, page 90, paragraph 37.3: **CHANGE:** "Attachment B" to "Attachment B or the Contractor's Hosting Plan (as approved by the State)."
50. **ADD:** Reference Special Terms and Conditions, page 92, paragraph 45: **ADD** after the last sentence of this paragraph the following:
- "Pursuant to A.R.S. 35-155, the State may accept, in lieu of the surety bond, a cash deposit in the form of cash or a Certificate of Deposit. A Letter of Credit will not be accepted. If a cash deposit or Certificate of Deposit is accepted, the terms shall be in accordance with A.R.S. 35-155."
51. **ADD:** Reference Special Terms and Conditions, page 92: **ADD** the following:
- "46. Travel: If travel is required in connection with this contract, it will be reimbursed travel and per diem expenses at the same rates applicable to State employees provided the expenses have prior approval by AHCCCS. For reimbursement, the Contractor shall submit receipts for all claimed expenses for review and approval by AHCCCS. Travel guidelines can be found at [www.gao.state.az.us/travel](http://www.gao.state.az.us/travel)."
52. **CORRECTION:** Reference Exhibit D, page 97: Correct the Solicitation Number in the header from "YH02-000#" to "YH05-0001".
53. **CLARIFICATION:** The State has specified in the RFP any particular on-site requirements. The manner of handling all other requirements shall be proposed by each Offeror (i.e., on-site, remote access or otherwise) as it deems most appropriate. The State will evaluate the Offeror's proposals against the others received based on a composite of all factors.
54. **CLARIFICATION:** If two or more entities wish to partner in submittal of a proposal, either (i) one company will have to become the prime contractor and assume liability and also the recipient of payment (and list the other as a partner) or (ii) submit as both entities and provide a copy of the partnership agreement.
55. **CHANGE:** The due date for receipt of proposals has been extended **to Monday, August 2, 2004**. The place and time for receipt of proposals remains unchanged.

 <b>AHCCCS</b>	<b>Revised Pricing Schedule</b>		<b>AHCCCS</b>  Arizona Health Care Cost Containment System  701 East Jefferson, MD 5700  Phoenix, Arizona 85034
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**NOTE:** Offerors are to provide firm, fixed prices for all areas of the Revised Pricing Schedules (excluding travel costs):


## **DELIVERABLES BASED PRICING - DEVELOPMENT**

### **DEVELOPMENT:**

<b>Line No.</b>	<b>Description</b>	<b>Price</b>
100	Requirements Document/Database Design	
101	Screen Layout and Screen Mock-Ups	
102	System Diagram	
103	Beta Version	
104	Testing and Final Version	
105	Final Support Plan and Training Plan	
<b>106</b>	<b>Total Development Price</b>	

The Offeror's cost proposal should include the development costs for every deliverable and should include all costs necessary to deliver a final, fully functional and tested system (including the details regarding how pricing for each deliverable was derived). The costs of any software, hardware, telecommunications, facilities or any other items required by the Offeror for development and testing of the system shall be the sole responsibility of the successful Contractor. Any such costs that the Contractor proposes to be reimbursed for should be clearly specified on these Revised Pricing Schedules.

The costs of any software, hardware, telecommunications or other items that the State will be required to purchase, either directly from the successful Contractor, or from third parties to operate and maintain (or enable the successful Contractor or others to operate or maintain) the system in accordance with the requirements of this solicitation, shall be specified in detail in the Offeror's deliverables based price proposal. This should include any products required for remote access updates to the application, the database or the content within either. For any software used in development, the price proposal should include costs for running in both quality assurance and production environments that have separate physical servers.

 <b>AHCCCS</b>	<b>Revised Pricing Schedule</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
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**DELIVERABLES BASED PRICING (DETAILS)**

**Breakout of Line Items on Price Schedule for Development:** For each line item in the Revised Pricing Schedule for Development above, complete the form below to show the detailed breakout of resources required.

**LINE ITEM** \_\_\_\_\_ **DELIVERABLE** \_\_\_\_\_

**LABOR:**

Description of Personnel by Category	Number of Hours	Hourly Rate	Estimated Cost
<b>Total Labor Costs</b>	<b>N/A</b>	<b>N/A</b>	<b>\$</b>

**MATERIALS:**


Description of Materials	Unit	Unit Cost	Estimated Cost
<b>Total Material Costs</b>	<b>N/A</b>	<b>N/A</b>	<b>\$</b>

**MISCELLANEOUS:**

Description of Items	Unit	Unit Cost	Estimated Cost
<b>Total Miscellaneous Costs</b>	<b>N/A</b>	<b>N/A</b>	<b>\$</b>

<b>TOTAL (AS TRANSFERRED TO PRICING SCHEDULE FOR DEVELOPMENT)</b>	<b>\$</b>
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Note: A retainage amount of 10% of the total amount for each deliverable will be withheld by the State. The retainage will be held by the State for 60 days (after complete operational system delivery). If the system is operating in accordance with this Contract and with the functionality as delivered, the State shall release such retainage to the Contractor on the 60th day or shall hold such retainage pending resolution of any problems with the delivered system (and release it upon such resolution).

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## HOURLY RATES:

The Offeror's cost proposal should include hourly rates for upgrades and enhancements to the system (New Section 5.9.1 of Scope of Work), loading and cleansing of data (Section 5.3 of Scope of Work), content cleansing and verification services (if desired) (New Section 5.3.5 of Scope of Work) and any other hourly services proposed (Section 5.5.2 of the Special Instructions to Offerors). Any hourly rate pricing shall be based on the experience and qualifications of the personnel assigned to the project.

Line No.	Service	Level of Personnel (based on Experience and Qualifications)	Unit	Unit Price
1000			Hour	
1001			Hour	
1002			Hour	
1003			Hour	
1004			Hour	
1005			Hour	
1006			Hour	

Once the State defines the data to be loaded and cleansed, the Contractor shall provide cost proposals at hourly rates based on skills and experience in accordance with the rates offered on these Revised Pricing Schedules. A fixed price for loading and cleansing of data, to the extent requested, shall be developed by the Contractor based on an evaluation of the data and the effort required to load and cleanse it.

Following system completion and final payment, the Contractor shall provide cost proposals, upon the State's request, for any significant system enhancements, whether related to enhanced Phase I functionality or changes to accommodate Phase II or Phase III functionality. Such proposals shall be at the hourly rates, based on skills and experience, provided on these Revised Pricing Schedules. The State reserves the right to negotiate deliverables based pricing, based on the hourly rate proposal of the Contractor, for any significant enhancement.

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**Price Proposal for Maintenance:**

The Offeror shall include monthly maintenance fees for maintenance of the system (Section 5.6 of the Scope of Work and Section 25 of the Special Terms and Conditions) in accordance with its approved Support Plan. All maintenance shall be paid monthly in arrears.

Line No.	Description	Unit	Unit Price (Per Month)	Extended Price (Annual)
M100	2-1-1 Maintenance (based on Support Plan)	Monthly		

**Price Proposal for Training:**


Training shall be priced as per person per session in accordance with the Training Plan (Section 5.8 of the Scope of Work). All training shall be paid monthly in arrears.

Line No.	Description	Unit	Price
T100	Training	Per Session; Per Person	

**Price Proposal for Hosting:**

The State is willing to pay reasonable monthly fees for hosting of the application in a suitable environment provided by the Contractor that meets or exceeds the requirements of Section 7 of the Scope of Work. The proposed monthly fee for hosting shall be specified below: (Note: If the Offeror proposes to use the State Web Portal, it should specify “N/A” below. If an Offeror submits an alternative hosting environment, the State does not want to purchase or finance hardware, software or related infrastructure for hosting.)

Line No.	Description	Unit	Unit Price (Per Month)	Extended Price (Annual)
H100	2-1-1 Hosting	Monthly		

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**Enhancements (Optional):**

In accordance with Section 5.5.2 (as revised) of the Special Instructions to Offerors and other provisions of this Solicitation, each Offeror is encouraged to submit recommendations for additional system enhancements that should be considered by the State that would add value to the defined system. The anticipated costs of the proposed enhancements must be set forth below, deliverables based in accordance with hourly rates (with appropriate break-down attached). Each Offeror is also encouraged to submit recommendations for any related services at appropriate hourly rates. [Note: In response to the Scope of Work, the Offeror shall (a) clearly state if they consider the proposed enhancement as a functional requirement that is needed for system operation, (b) define the benefits of the proposed enhancements and (c) state whether they recommend the enhancements be included in Phase I or in subsequent phases.]

Line No.	Enhancement Description	Unit	Unit Price	Extended Price
E1				
E2				
E3				
E4				
E5				
E6				

**Third Party Costs:** Please break-out costs to third parties (if any) that the State may incur as a result of this Contract - not otherwise included on the deliverables based Revised Pricing Schedules - to enable the State to properly plan implementation and maintenance of the completed system. [Note: The State would prefer that all costs be included on the deliverables based Revised Pricing schedules, above.]

Description	Anticipated Source or Use	Unit	Unit Price

**END OF AMENDMENT TWO**  
**REQUEST FOR PROPOSALS YH05-0001**